

SECRET

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1
COMMITTEE ON FOREIGN INTELLIGENCE

Washington, D.C. 20505

25X1

25X1

Copy No. 9 of 40

25X1

6 April 1976

MEMORANDUM FOR COMMITTEE ON FOREIGN INTELLIGENCE

SUBJECT : Revised Minutes of CFI Meetings One-Three

REFERENCES : a. CFI-M-4, 24 March 1976

b. CFI-M-5, 3 April 1976

In accordance with the CFI action on 24 March 1976,
(reference a.) the attached revised CFI Minutes 1-3 were approved.
Please destroy all copies of the previous versions of the minutes for
the CFI meetings of 18 and 25 February and 13 March in accordance
with appropriate security regulations.

E. H. Knoche

25X1

Attachments

SECRET

declassification schedule of E.O. 11652
exemption category 50(1),(2),(3)
Automatically declassified on
Date Impossible to Determine

25X1

25X1

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1

25X1

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1

Next 1 Page(s) In Document Exempt

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1

SECRET

25X1

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1
COMMITTEE ON FOREIGN INTELLIGENCE

Washington, D.C. 20505

CFI-M-1
18 February 1976

Minutes of First Meeting
Committee on Foreign Intelligence
East Building, at 1530 hours, 18 February 1976

Director of Central Intelligence
Mr. George Bush
Presiding

MEMBERS PRESENT

Mr. Robert F. Ellsworth, Deputy Secretary of Defense

Mr. William G. Hyland, Deputy Assistant to the President for National Security
Affairs

ALSO PRESENT

Lieutenant General Samuel V. Wilson, USA, Deputy to the DCI for the
Intelligence Community

Mr. E. H. Knoche, Associate Deputy to the DCI for the Intelligence
Community

Mr. Richard Lehman, Assistant to the Director of Central Intelligence

Exempt from general
declassification schedule of E.O. 11652
exemption category 5B(1), (2), (3)
Automatically declassified on

SECRET

CFI-M-1

18 February 1976

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1

COMMITTEE ON FOREIGN INTELLIGENCE

Washington, D.C. 20505

MEMORANDUM FOR THE COMMITTEE ON FOREIGN INTELLIGENCE

SUBJECT : Draft Minutes of the 18 February 1976
Committee on Foreign Intelligence
Meeting

1. The Chairman opened the meeting with observations and suggestions as reflected in the attached talking points. He covered each point and invited the other members to react.

2. Mr. Ellsworth commended the Director's remarks, saying that he welcomes the DCI's acting as a Chairman of the Board with respect to national intelligence. DoD leaders, he said, have long felt that a strong national perspective is necessary for intelligence leadership. Noting the charge in the February Executive Order calling for the CFI to control budgets and resource allocation, Mr. Ellsworth said it will be important to work out arrangements to coordinate budget and resource cycles. For the CFI to get its job done, the strongest possible staff will be required and well-qualified DoD personnel are available for assignment to the IC Staff, which will serve the CFI.

3. Mr. Ellsworth noted the Executive Order requirement that the CFI establish policy priorities for collection and production of national intelligence. He was not entirely sure what this means and the subject will require further discussion as will the CFI responsibility to set "management policy" for national programs.

4. At this point, Mr. Bush referred to the explicit point that he and the CFI are relieved of responsibility for tactical intelligence resources. Following a discussion of the overlaps between national and tactical intelligence Mr. Ellsworth said he was prepared to assign DoD personnel to work with the DCI's representatives on this problem.

5. Mr. Ellsworth asked who would preside over the CFI in the DCI's absence. After some discussion of this, there was agreement that for the time being this would be the DDCI who becomes Acting DCI when the DCI is not at hand. (Chairman Bush referred to plans for there to be two Deputies -- one for CIA and one for the Intelligence Community and when the latter is called for by law and Presidentially-appointed, the Community deputy would likely be the one to chair the CFI in the DCI's absence.) There was agreement

SECRET

Exempt from general
Exemption Category 1, E.O. 11652
Automatically declassified on
Date Impossible to Determine

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1

on the need to insure the best possible candidate for the Community deputy position and Mr. Ellsworth and Mr. Hyland were asked to provide Mr. Bush with some names to consider -- and as soon as possible. Mr. Bush asked if each of the two CFI members will designate someone to attend CFI meetings if they are absent. Each said they would.

6. Mr. Ellsworth urged that the DCI, in his Community role, separate himself perceptibly and conceptually from CIA and Langley. Following a brief discussion the Chairman agreed to Mr. Ellsworth's request that arrangements permit that personal representatives of CFI members be accredited to the IC Staff.

7. Mr. Hyland noted that the IC Staff will be reviewing NSCIDs and DCIDs to insure compatability with the Executive Order. He urged that a new series of CFI Directives (CFID) be issued beginning with those which can direct temporary arrangements pending development of more permanent machinery and procedures in the future.

8. Mr. Hyland foresaw an IC Staff which would concentrate on three primary areas: budgets, collection, and production evaluation. He emphasized that it is exclusively the DCI's prerogative to arrange for the production of national intelligence. Mr. Hyland observed, however, that he believes it a matter of CFI concern to assess the value and utility of the intelligence product. In this respect, he noted that the National Security Council will conduct semi-annual reviews of intelligence and he urged that someone on the staff be designated to arrange materials and issues to be considered by the NSC. There was also some discussion of the OMB role in regard to CFI business.

9. There was general agreement that there is utility in considering amalgamation with the IC Staff of the key staff elements of the COMIREX, SIGINT and Human Resources Committees of what has been USIB, all of this in terms of providing maximum support to the CFI and its attention to national intelligence programs.

10. It was agreed that the CFI would meet frequently at the outset, the next meeting to take place at 1500 on 25 February. The CFI will consider draft directives at that time and further discuss matters of concern.

11. It was agreed that the IC Staff would undertake to develop agreement on an appropriate program and budget cycle (recognizing the sanctity of the DoD cycle) that will permit adequate time for CFI consideration of programs and

SECRET

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1

25X1

budgets. In the process, definition of those programs under CFI purview will be made, all of this with an eye to providing the CFI with arrangements for its approval.

12. CFI members at this point met briefly in executive session, the meeting concluding at 1700 hours.

[Redacted Signature]

E. H. Knoche

25X1

Attachment:
Talking Points

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1

SECRET

25X1

Agenda

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1

18 February 1976

1. Fundamental tasks of CFI; among other things, E.O. requires CFI to:
 - control budget preparation and resource allocation for NFIP
 - establish policy priorities for collection and production of national intelligence
 - establish policy for management of NFIP
2. The DCI's Intelligence Community Staff, headed by one of two deputies to the DCI, to provide support to CFI.
 - current thinking as to type to be named to be the Community deputy.
 - need to examine structure and composition of IC Staff to accomplish its job. (Have asked IC Staff for ideas CFI can consider; at a minimum, it behooves us all to see to it ICS is strongly staffed as a Community (not just a DCI) asset.)
3. Currently lean to two geographically separate DCI offices -- one at Langley for CIA business, another in town for Community activities.
4. Production of national intelligence is something separate from CFI concerns; currently giving thought to how to arrange new and effective organization to succeed USIB.
 - In the meantime, will continue USIB and most of its subordinate components to avoid sudden break in efficiency.
5. In terms of using the best and most appropriate USIB expertise to augment IC Staff in supporting CFI, am giving thought to merging IC Staff with USIB's COMIREX (imagery), SIGINT, and Human Resources (Humint) Committees.
 - These Committees set priorities for collection and processing of data related to NFIP, the programs of concern to CFI.
 - Merging of these Committee Staffs with IC Staff may permit some reduction of IC Staff size.
6. In addition to those charges given to the CFI in the E.O., believe it will be necessary to insure CFI collaborates and consults on other matters of major concern. Among these, all in need of improvement, are:
 - strategic warning (this should always be one of our prime concerns)
 - crisis management (finding better ways to relate policy concerns and intelligence data)
 - evaluation of the Intelligence Community's performance, from requirements to collection to production. (Current evaluation processes are in their infancy and need improvement. IC Staff

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1

SECRET

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1

7. Without in any way interfering with DoD budget cycles, we need to devise a cycle that permits adequate time for CFI to consider NIFP programs and budgets. IC Staff has suggested such an arrangement. (Attached)
 - Suggest IC Staff and DoD associates consider the ICS suggestions and see what can be agreed.
8. E.O. calls for redrafting of NSCID's and DCID's within 90 days to be consistent with E.O.'s.
 - Suggest IC Staff chair a group to consider NSCID's. Reps to be supplied by each CFI member. Alternatives include one "omnibus" NSCID or amendment of each now in existence.
 - IC Staff will chair a group of reps from DSD(I) and each of the current USIB principals to amend DCID's, subject to DCI approval. (This is DCI business; not directly related to CFI).

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1

SECRET

SECRET
[REDACTED]
Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1

COMMITTEE ON FOREIGN INTELLIGENCE

Washington, D.C. 20505

CFI-M-2

25 February 1976

Minutes of Second Meeting
Committee on Foreign Intelligence
East Building, at 1500 Hours, 25 February 1976

Director of Central Intelligence
Mr. George Bush
Presiding

MEMBERS PRESENT

Mr. Robert F. Ellsworth, Deputy Secretary of Defense

Mr. William G. Hyland, Deputy Assistant to the President for National Security
Affairs

ALSO PRESENT

Mr. Thomas Latimer, Principal Deputy Assistant Secretary of Defense
(Intelligence)

Mr. E. H. Knoche, Acting Deputy to the DCI for the Intelligence Community

Mr. Richard Lehman, Assistant to the Director of Central Intelligence

Exempt from general
declassification schedule of E.O. 11652
exemption category 58(1), (2), (3)
Automatically declassified on
Date Impossible to Determine

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1

SECRET

CFI-M-2

25 February 1976 25X1

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1

COMMITTEE ON FOREIGN INTELLIGENCE

Washington, D.C. 20505

MEMORANDUM FOR THE COMMITTEE ON FOREIGN INTELLIGENCE

SUBJECT : Draft Minutes of the 25 February 1976
Committee on Foreign Intelligence
Meeting

1. The minutes of the 18 February 1976 meeting were approved.

25X1 2. [] of the IC Staff gave a status report on current ICS-DoD efforts to develop a paper for CFI consideration next week defining the National Foreign Intelligence Program (NFIP), the process and cycles to be followed with regard to CFI attention to NFIP budgets and programs, and re-programming guidelines to be adopted by the CFI.

3. In regard to the national-tactical definition problem Mr. Ellsworth noted that many differing points of view would be encountered. Distinctions between national and tactical intelligence resources can hardly be expected to be agreed by all but he would be supportive of the CFI's efforts to define the NFIP as constructively as possible. The Chairman advised [] to prepare the paper, complete with pros, cons, agreements and disagreements, in recognition of general intent to give the CFI resource control over the intelligence budget, less tactical intelligence. 25X1

4. The Chairman reported his favorable impression of NRP arrangements and facilities and said he wants to insure that CFI machinery and processes will not bog down program managers and rob them of flexibility and effectiveness.

5. Mr. Bush noted there have been some requests by the Congressional Budget Office (CBO) and Committees for access to intelligence budgetary data. He pointed to jurisdictional Congressional problems in this regard and said he thought it best to hold off until the House and Senate have resolved current approaches to intelligence oversight and until Appropriations Chairmen McClellan and Mahon have conferred with Budget Committee counterparts. It was agreed that the Director would talk to Senator McClellan and Representative Mahon about this. Mr. Knoche noted that there have been CBO requests for substantive briefings on Soviet and Warsaw Pact military capabilities and expenditures. It was agreed that substantive briefings are a separate question and can be provided.

SECRET

Exempt from general
declassification schedule of E.O. 11652
exemption category 5B(1),(2),(3)
Automatically declassified on
[] determine

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1

25X1

25X1 6. [] of the IC Staff gave a brief description of progress made to date, and remaining to be made, with regard to improving awareness by tactical commanders of the nature of national collection systems. It was pointed out that continuing attention to this problem could in time lead to significant resource issues of concern to the CFI. The IC Staff is willing to continue its work in this area but needs to know which parts of DoD or JCS to work with. Mr. Ellsworth said he would advise.

25X1 7. [] of the IC Staff gave a brief status report on the study of NSCIDs, DCIDs, et al and how to revise or rescind them in accordance with the Executive Order on intelligence. It was agreed:

-- That NSCIDs would be revised with appropriate classification to insure conformity with the E.O.;

-- There will be no attempt now to devise and issue an omnibus NSCID;

-- Some NSCIDs can be rescinded, where the subject is over-taken by the E.O.

In answer to the Chairman's question, [] said he thought some revised NSCIDs could be put before the CFI at its meeting next week. CFI directives and memoranda will be issued serially rather than by a numbering system keyed to subject categories. Two draft CFI Memoranda (CFIM No. 1 and No. 2) were approved.

8. Discussion of this subject led to a question from Mr. Hyland as to how to arrange for directives on intelligence topics that may be the DCI's responsibility but that are beyond the scope of the CFI. For example, the CFIM on USIB could imply CFI powers in an area of DCI concern. Mr. Ellsworth noted the phrasing in the E.O. charging the CFI with setting "policy priorities for collection and production," phrasing indicating the CFI will have some kind of role in matters of previous concern to USIB. The discussion culminated in agreement that the Staff should develop for next week's CFI meeting a paper defining and delineating the distinctions between CFI, DCI and USIB-type concerns.

9. The proposed CFIM on IRAC's IR&D Council was not approved. Mr. Ellsworth felt it more advisable to subordinate this body to a USIB follow-on rather than to the CFI.

10. Mr. Knoche reported to the CFI on his conversations with two drafters of the E.O. in connection with the CFI responsibility to set "management policy" for national programs. The short of it is that it was intended to provide

SECRET

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1

25X1

the CFI with guidance powers that could go beyond narrow resource matters. The CFI, over time, can define the extent to which it may want to issue guidance on such matters, for example, as intelligence personnel development or external contracting.

11. After a short executive session, the meeting adjourned at 1615 hours.

[Redacted]

25X1

E. H. Knoche

Summary of Actions

a. Chairman to contact Senator McClellan and Representative Mahon re Congressional Budget inquiries.

b. Joint ICS-DoD paper on NFIP definition, cycles, and reprogramming to be ready for next CFI meeting.

c. Mr. Ellsworth to advise the IC Staff on DoD/JCS points of contact for work on the "national-tactical problem."

d. IC Staff to table a paper for the next CFI meeting defining distinctions among CFI, DCI and USIB-type concerns and responsibilities.

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1

SECRET

25X1

SECRET

25X1

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1
COMMITTEE ON FOREIGN INTELLIGENCE

Washington, D.C. 20505

CFI-M-3
13 March 1976
Limited Distribution

Minutes of Third Meeting
Committee on Foreign Intelligence
East Building, at 1500 hours, 11 March 1976

Director of Central Intelligence
Mr. George Bush
Presiding

MEMBERS PRESENT

Mr. Robert F. Ellsworth, Deputy Secretary of Defense

Mr. William G. Hyland, Deputy Assistant to the President for National
Security Affairs

ALSO PRESENT

Mr. Thomas Latimer, Principal Deputy Assistant Secretary of Defense
(Intelligence)

Mr. Richard Ober, Director for Intelligence Coordination, National
Security Council Staff

Mr. E. H. Knoche, Acting Deputy to the DCI for the Intelligence Community

Mr. Richard Lehman, Assistant to the Director of Central Intelligence

Classified by:

Exempt from general
declassification schedule of E.O. 11652
exemption category 58(1), (2), (3)
Automatically declassified on

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1

SECRET

25X1

25X1

SECRET

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1

25X1

COMMITTEE ON FOREIGN INTELLIGENCE

Washington, D.C. 20505

CFI-M-3

13 March 1976

Limited Distribution

MEMORANDUM FOR THE COMMITTEE ON FOREIGN INTELLIGENCE

SUBJECT: Draft Minutes of the 11 March 1976 Meeting
of the Committee on Foreign Intelligence

1. The minutes of the 25 February 1976 meeting were approved. Mr. Knoche noted that the action item in the 25 February minutes involving an ICS paper delineating CFI, DCI and USIB-type concerns and responsibilities remains in process. It was also agreed that it will not be necessary to issue a CFI directive extending USIB temporarily since the action is reflected in official USIB minutes.

2. The Chairman followed the outline of agenda papers concerning his talks on the Hill with various Senators concerning Senate Budget Committee requests for budgetary information. Mr. Bush's basic approach has been to hold back on providing such detail pending Congressional resolution of how to arrange eventual oversight of the Intelligence Community. There was CFI agreement on this position.

3. There was a discussion of reprogramming rules in connection with the Chairman's report of his 4 March meeting with OMB Director Lynn.

4. There was a discussion of Mr. Latimer's concern about the level of detail contained in a "Top Secret SENSITIVE" classified budget annex prepared by OMB and intended for Congressional Oversight Committees' use in demonstrating awareness of Community-wide budgets. There was also brief discussion concerning an OMB allowance letter sent to Mr. Bush under date of 8 March.

5. [redacted] of the IC Staff briefed on tentative plans for the reorganization of the ICS to meet functional responsibilities in support of the CFI, of the DCI, and of a USIB successor. Mr. Ellsworth said the plans were based on an assumption that the Director has three hats whereas Mr. Ellsworth's reading of Executive Order 11905 is that all of the Director's responsibilities derive from two roles: the executive head of CIA and the Chairman of the CFI. The CFI, Mr. Ellsworth noted, is assigned the responsibility for setting "policy priorities for the collection and production of national intelligence," and the Director's responsibilities amount to implementation of this CFI responsibility.

SECRET

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1

Classified by: [redacted]

Exempt from general
declassification schedule of E.O. 11652
1a(1), (2), (3)
Automatically declassified on
Date Impossible to Determine

25X1

25X1

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1

The Director referred to the various responsibilities assigned to the DCI by the Executive Order, pointing out that many were, in his view, quite separate from CFI responsibilities. He said that the two-hat interpretation of Mr. Ellsworth would cause the DCI to carry out his tasks either through CIA or through CFI; that a USIB successor organization with advisory responsibilities would have to be folded under the CIA and this would seem clearly to conflict with the intent of the Executive Order. Mr. Hyland said the President expects the CFI to get hold of resource issues and controls and that the question of production of intelligence is the DCI's problem. Mr. Hyland saw that the ICS plans were based on trying to relate combined staff support to several tasks rather than to have separate staffs for each task. Mr. Ellsworth noted that most observers conclude there is a problem with the quality of the national intelligence product and that the three CFI members have a heavy responsibility in the fields of collection and production. Mr. Hyland said it is clear the CFI will have to evaluate these functions, but there is a need to get organized and on with the job. Mr. Bush agreed that the CFI will have to take looks at what needs improvement but he said there are some responsibilities he has that are separate from the CFI and require execution by the DCI. Mr. Ellsworth responded that he had problems with this view but in the interests of proceeding he would go along, with the record to show his reservations. The discussion concluded with the understanding that ICS reorganization plans had general approval for the purpose of getting on with staffing and manning. It was further agreed the ICS organization should clearly indicate a CFI focal point in each of the major components of the Staff.

6. The CFI was briefed on the status of current planning for the relocation of the ICS and agreed on the desirability of obtaining the downtown building described. The Chairman said efforts would be made to obtain it.

7. A proposed charter covering NRO/NRP was considered briefly. Following the discussion it was agreed that an alternative draft would be coordinated with the NRO Staff and a new version tabled at a subsequent meeting of the CFI. It was agreed that the charter might be issued as a CFI directive (CFID).

8. Proposed revisions to three NSCID's, drafted by a CFI working group, were deferred to the CFI's next meeting at the request of Mr. Hyland. CFI members agreed to press ahead with NSCID revisions as directed by terms of Executive Order 11905. Mr. Hyland asked the ICS to consider carefully the question of classification of revised NSCID's.

9. CFI members briefly discussed ways to improve oversight and production of intelligence judgments concerning the size of Soviet military expenditures. It was agreed that the subject is not one of direct CFI concern, but Mr. Bush directed Mr. Lehman to arrange for broadening of a CIA panel of outside consultants to include DoD nominees, for re-designating the panel as a joint CIA-DoD

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1

SECRET

25X1

SECRET

25X1

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1

panel and for extending its charter in order that it can suggest new methodologies to be employed in making intelligence judgments in this field. There was a brief discussion of a DoD desire to assess the "policy implications" of intelligence estimates of Soviet defense expenditures. Mr. Lehman said CIA felt this was not an intelligence matter, that it fit more properly within policy-makers' concerns. Mr. Hyland said he thought this would be a worthy task that might be covered by the NSSM process.

10. The meeting concluded after a short discussion of Item Three, (a proposed definition of the NFIP, options covering the process to be employed in CFI resource management and reprogramming guidelines) which will be considered at the next meeting.

E. H. Knoche

25X1

Attachment:

Summary of Actions

Adjournment: 1700 hours

25X1

25X1

25X1

CFI-M-3

11 March 1976

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1

SUMMARY OF ACTIONS

- (a) IC Staff to clarify with OMB re the necessity for reprogramming rules.
- (b) IC Staff to confer with OMB about level of detail in classified budget annex. Classification should be kept to SECRET level if possible.
- (c) IC Staff to circulate copies of OMB allowance letter.
- (d) IC Staff should continue to develop reorganization plans and developing proposals for staffing and manning.
- (e) IC Staff to coordinate alternative draft NRO/NRO charter with NRO Staff. New version to be tabled at subsequent CFI meeting. Charter to be issued as CFI directive.

25X1

COMMITTEE ON FOREIGN INTELLIGENCE

Washington, D.C. 20505

CFI-M-5

3 April 1976

Minutes of Fifth Meeting
Committee on Foreign Intelligence
East Building, at 1400 hours, 31 March 1976

Director of Central Intelligence
Mr. George Bush
Presiding

MEMBERS PRESENT

Mr. Robert F. Ellsworth, Deputy Secretary of Defense

Mr. William G. Hyland, Deputy Assistant to the President for National
Security Affairs

ALSO PRESENT

Mr. Thomas Latimer, Principal Deputy Assistant Secretary of Defense
(Intelligence)

Deputy to the DCI for the Intelligence
Community

Mr. E. H. Knoche, Associate Deputy to the DCI for the Intelligence
Community

Mr. Richard Lehman, Assistant to the Director of Central Intelligence

Classified by:

Exempt from general
declassification schedule of E.O. 11652
exemption category 5B(1),(2),(3)
Automatically declassified on
Date Impossible to Determine

25X1

SECRET

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1

COMMITTEE ON FOREIGN INTELLIGENCE

Washington, D.C. 20505

CFI-M-5
3 April 1976

MEMORANDUM FOR THE COMMITTEE ON FOREIGN INTELLIGENCE

SUBJECT: Draft Minutes of the 31 March 1976 Meeting of the
Committee on Foreign Intelligence

1. The Chairman introduced [] who has been appointed as the Deputy to the DCI for the Intelligence Community. Mr. Bush paid high tribute to Admiral Murphy citing his varied background and special skills. 25X1

2. The revised minutes of CFI meetings held to date were approved.

3. Mr. Slack of OSD and [] of the IC Staff joined for a lengthy discussion of a CFI resource control process. Mr. Slack briefed on the nature of the current DoD budget and program cycles pointing out that the FY 1978 budgets and programs are already fairly far advanced. Mr. Ellsworth observed that for the CFI to issue fiscal guidance now may be nothing more than wheel spinning and that a systematic cycle is best thought of for FY 1979. Mr. Hyland felt that the CFI does have sufficient authority to revise internal DoD decisions concerning these programs and budgets and that the CFI need not be bound by those internal decisions. Mr. Hyland urged that early steps be taken to insure that CFI devotes attention to DoD Program Objective Memoranda (POM's). The up-shot of the discussion was that [] will take hold of the topic, confer with fiscal officers from DoD and other departments as appropriate and come up with a proposal for a program and budget review schedule for the issuance of CFI resource guidance to program managers, and for insuring CFI attention to POM's. The IC Staff draft memorandum on resource guidance was tabled and members were invited to let the IC Staff know of suggested changes or revisions prior to the next meeting. 25X1

4. Some 15 policy issues, all but one of which were suggested for ICS attention by Mr. Ellsworth at the meeting of 19 March, were discussed. Mr. Ellsworth made specific suggestions to be included in the planning for study of these issues.

5. The proposed revisions to NSCID #3 and #4 were approved. Mr. Latimer suggested all revised NSCID's be held together for one last look prior to the CFI's submitting the entire package for issuance. [] of the ICS was asked to try to complete the revisions of the remaining NSCID's prior to the next CFI meeting. 25X1

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1

SECRET

SECRET

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1

25X1
25X1
25X1

6. There was a discussion of proposed special funding of [REDACTED] 25X1
[REDACTED] The special funding of both of these was approved.
Inasmuch as [REDACTED] had been made a matter of Presidential concern by
OMB, it was agreed that [REDACTED] would undertake to insure that the
President is informed of the CFI's decision on [REDACTED] 25X1

[REDACTED] 25X1
E. H. Knoche

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800060002-1

SECRET

DCI TALKING POINTS

CFI BUDGETARY & RESOURCE CONTROL

- BEFORE GETTING INTO DISCUSSION, I WOULD LIKE TO FOCUS ON SOME OF WHAT I THINK ARE THE KEY ISSUES.
- THE INTENT OF THE EO SEEMS CLEAR--THIS COMMITTEE MUST FIRMLY GRAB HOLD OF THE COMMUNITY'S RESOURCES--EXERT RESOURCE CONTROL.
- TO DO THIS WE NEED TO:
 - BE ABLE TO ISSUE CLEAR GUIDANCE;
 - DEAL DIRECTLY WITH PROGRAM MANAGERS (JIM PLUMMER, LEW ALLEN, BOBBY INMAN, AND WHOEVER IS CHOSEN TO MANAGE GDIP AND CIAP ON A DAY-TO-DAY BASIS); AND
 - INSURE CLOSE COOPERATION BETWEEN THE VARIOUS STAFFS TO SUPPORT US IN OUR DELIBERATIONS WHILE, AT THE SAME TIME, NOT GIVING OVER TO THE STAFFS THE DECISION-MAKING RESPONSIBILITY.
- A RELATED ISSUE, AND ONE I THINK WE CAN ALL AGREE ON IS--HOW DO WE INTERFACE WITH OMB IN OUR RESOURCE PROCESS? THAT IS--WHAT SHOULD OMB'S ROLE BE, GIVEN THAT THE PRESIDENT CREATED A CFI TO DEAL WITH INTELLIGENCE RESOURCES?
- THERE IS NO QUESTION THAT THIS COMMITTEE MUST ADDRESS ITSELF TO THE BROAD POLICY LEVEL QUESTIONS SUCH AS THOSE SUGGESTED BY BOB ELLSWORTH'S STAFF SPACE 25X1
SHUTTLE IMPLICATIONS AND IMPACT, NFIP RESOURCE BALANCE, ETC).
- BUT, I BELIEVE OUR EFFORTS CANNOT STOP THERE. WE ALSO HAVE TO PROVIDE FOR SOME MEANS OF REGULAR PROGRAM AND BUDGET REVIEW AND APPROVAL.
- I SUGGEST WE ADDRESS OURSELVES TO THESE POINTS INITIALLY. ONCE THEY'VE BEEN RESOLVED, WE CAN LOOK AT THE OPTIONS AND SEE HOW WELL EACH FITS OUR CONCLUSIONS.